

Message Text

UNCLASSIFIED

PAGE 01 MANAGU 03809 01 OF 02 191953Z

73

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 TAR-02 DRC-01

/116 W

----- 008076

R 191900Z SEP 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 2493

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

UNCLAS SECTION 1 OF 2 MANAGUA 3809

GUATEMALA FOR ROCAP; SAN SALVADOR FOR AGRICULTURE ATTACHE

E. O. 11652: N/A

TAGS: ETRD, ECON, EAGR, NU

SUBJECT: ECONOMIC/COMMERCIAL HIGHLIGHTS, SEPTEMBER 1-15, 1973

SUMMARY. CENTRAL BANK PRELIMINARY TRADE DATE FOR FIRST
HALF SHOW 18 PERCENT INCREASE IN EXPORTS, 2 PERCENT
INCREASE IN IMPORTS, AND 58 PERCENT INCREASE IN TRADE
SURPLUS, SURVEY OF LOCAL BUSINESS SHOWS A BRIGHT SECOND
QUARTER, 73-74 COFFEE CROP ESTIMATED AT 700,000 CWT.,
HEAVY RAINS DAMAGE GRAIN CROPS, CHAMBER OF COMMERCE
CENTRO COMERCIAL HAS SUCCESSFUL PROMOTION. END SUMMARY.

1. FIRST HALF TRADE DATA. THE CENTRAL BANK HAS
COMPLETED ITS QUOTE PRELIMINARY UNQUOTE REPORT ON
FOREIGN TRADE FOR THE FIRST HALF OF THIS YEAR. IT
SHOWS TOTAL EXPORTS OF \$167.4 MILLION, UP 18.2 PERCENT
OVER THE COMPARABLE PERIOD IN 1972; TOTAL IMPORT OF
\$104.9 MILLION, UP 2.0 PERCENT; AND A POSITIVE TRADE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANAGU 03809 01 OF 02 191953Z

BALANCE OF \$61.8 MILLION, UP 58 PERCENT. MOST OF THE

TRADE GROWTH WAS OUTSIDE CENTRAL AMERICA AS EXPORTS TO THE CACM DECLINED 2.0 PERCENT; AND IMPORTS FROM THE CACM DROPPED 4.2 PERCENT RESULTING IN A POSITIVE BALANCE OF JUST OVER \$600 THOUSAND. ON THE EXPORT SIDE, THE BIGGEST INCREASES WERE RECORDED IN COFFEE, BANANAS, MEAT AND CHEMICAL PRODUCTS. THE CENTRAL BANK STUDY DID NOT BREAK DOWN IMPORT DATA BY PRODUCT. HOWEVER, STATISTICS RELEASED BY THE PORT OF CORINTO FOR THE FIRST SIX MONTHS SHOW SUBSTANTIAL VOLUME INCREASE IN IMPORTS OF FERTILIZERS, IRON AND STRUCTURAL STEEL AND GENERAL MERCHANDISE. THE DATA IN THE CENTRAL BANK STUDY IS MORE REFINED AND PROBABLY MORE ACCURATE THAN THE QUOTE FIRST PRELIMINARY UNQUOTE DATA REPORTED MANAGUA 3457, FROM WHICH IT VARIES ONLY SLIGHTLY.

2. QUESTIONNAIRE ON LOCAL BUSINESS CONDITIONS:

A. RESPONSES TO A QUESTIONNAIRE CIRCULATED AMONG LOCAL BUSINESSMEN AND MANUFACTURERS BY THE ECON/COMM SECTION SHOW, NOT SURPRISINGLY, THAT BUSINESS WAS MUCH BETTER IN THE SECOND QUARTER OF 1973 AS COMPARED TO THE FIRST. 88 PERCENT OF THE RESPONDENTS SAID SALES WERE UP IN THE SECOND QUARTER AS COMPARED TO THE FIRST. 60 PERCENT OF THE MANUFACTURERS SAID PRODUCTION WAS UP, WHILE THE OTHER 40 PERCENT SAID IT WAS UNCHANGED. INVENTORIES WERE UP FOR 67 PERCENT, EQUAL FOR 21 PERCENT AND DOWN FOR 12 PERCENT. 92 PERCENT REPORTED THAT FOREIGN SUPPLIERS HAD RAISED PRICES, 81 PERCENT THAT LOCAL SUPPLIERS HAD DONE THE SAME, AND 55 PERCENT THAT THEY THEMSELVES HAD FOLLOWED SUIT. SALARY INCREASES WERE REPORTED BY 50 PERCENT.

B. WITH RESPECT TO SALES BEFORE AND AFTER THE EARTHQUAKE, A SURPRISING 73 PERCENT OF THE RESPONDENTS SAID SALES SINCE THE EARTHQUAKE HAD IMPROVED. 65 PERCENT SAID THAT THEY WERE OPERATING IN SMALLER FACILITIES THAN BEFORE WHILE 17 PERCENT WERE IN LARGER QUARTERS AND 17 PERCENT IN THE SAME LOCATION. 38 PERCENT ALREADY HAD MOVED INTO LARGER QUARTERS WHILE 73 PERCENT HAD PLANS TO BEGIN BUILDING BY EARLY 1974 OR SOONER.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MANAGU 03809 01 OF 02 191953Z

C. RESPONSES TO ONE QUESTION, WHILE NOT SURPRISING, WERE HEARTENING. 61 PERCENT OF THE RESPONDENTS SAID THAT THEY HAD ALREADY INCREASED PURCHASES FROM THE U.S. AS COMPARED TO OTHER COUNTRIES SINCE THE 73 DOLLAR DEVALUATION AND 93 PERCENT SAID THEY INTEND TO DO SO.

3. COFFEE. A SPOKESMAN OF THE NICARAGUAN COFFEE

INSTITUTE ESTIMATES THAT FUTURE CONTRACTS HAVE BEEN SIGNED FOR 75,000 CWT. OF THE 1973-74 CROP AT 63 DOLLARS OR MORE PER CWT AND THAT THE EXPORTABLE CROP IS EXPECTED TO AMOUNT TO 700,000 CWT. A LOCAL COFFEE BROKER CONFIRMED THAT FUTURE SALES WERE BELOW NORMAL AND SAID THAT UNCERTAINTY ABOUT THE WORLD MARKET WAS DISCOURAGING BOTH BUYERS AND SELLERS.

4. REVISED WEATHER REPORT - OR WE SPOKE TOO SOON. TWO WEEKS OF CONTINUAL HEAVY RAIN AT THE END OF AUGUST AND THE BEGINNING OF SEPTEMBER CAUSED CONSIDERABLE DAMAGE TO CROPS. AFTER THE SUN CAME OUT AGAIN, THE MINISTRY OF AGRICULTURE CONDUCTED A CROP SURVEY AND DISCOVERED THAT DAMAGE WAS HEAVIEST TO BEANS, FOLLOWED BY CORN AND SORGHUM, IN THE DEPARTMENTS OF CHONTALES, MATAGALPA, CARAZO AND MASAYA. THE MINISTRY SAID THAT ABOUT 5000 MANZANAS OF BEANS (1 MANZANA EQUALS 1.75 ACRES) WERE COMPLETELY LOST. THIS AMOUNTS TO ABOUT 14 PERCENT OF THE TOTAL AREA PLANTED TO BEANS. ABOUT 3600 MANZANAS OR 2 PERCENT OF THE TOTAL CROP OF CORN WAS DAMAGED, BUT SOME OF IT COULD STILL BE USED FOR ANIMAL FEED. ONLY 400 MANZANAS, OR SLIGHTLY MORE THAN ONE PERCENT OF THE SORGHUM CROP, WAS LOST, AN ESTIMATED 5,500 SMALL FARMERS WERE AFFECTED. THE MINISTRY DETERMINED THAT RICE AND COTTON WERE NOT SERIOUSLY HURT. IN ANNOUNCING THE RESULTS OF THE SURVEY, THE MINISTER OF AGRICULTURE POINTED OUT THAT THERE WAS STILL TIME TO REPLANT BEANS, PROMISED MINISTRY ASSISTANCE AND URGED FARMERS TO PLANT AGAIN IMMEDIATELY.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 MANAGU 03809 02 OF 02 191954Z

73

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 TAR-02 DRC-01

/116 W

----- 008088

R 191900Z SEP 73

FM AMEMBASSY MANAGUA
TO SECSTATE WASHDC 2494
INFO AMEMBASSY GUATEMALA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
AMEMBASSY SAN JOSE

UNCLAS SECTION 2 OF 2 MANAGUA 3809

5. COMMERCE: THE APPROXIMATELY 125 STORES NOW OPEN IN
THE CHAMBER OF COMMERCE'S CENTRO COMERCIAL REPORTED SALES
AT THE END OF A TWO WEEK JOINT PROMOTION OF OVER 4 MILLION
CORDOBAS (570 THOUSAND DOLLARS). MEANWHILE, THE CHAMBER
OF COMMERCE ANNOUNCED THAT AS OF JUNE THIS YEAR THERE
WERE 1404 COMMERCIAL ESTABLISHMENTS REGISTERED WITH
THE CHAMBER, AS COMPARED TO 2039 IN JUNE OF LAST YEAR.
SINCE MANY STORES HAVE REOPENED IN MANAGUA SINCE JUNE,
REGISTRATIONS HAVE PROBABLY RISEN SUBSTANTIALLY.

SHELTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MANAGU03809
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730925/aaaaarwk.tel
Line Count: 188
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: thigpegh
Review Comment: n/a
Review Content Flags:
Review Date: 28 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28-Sep-2001 by maustmc>; APPROVED <22 FEB 2002 by thigpegh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECONOMIC/COMMERCIAL HIGHLIGHTS, SEPTEMBER 1-15, 1973 SUMMARY. CENTRAL BANK PRELIMINARY TRADE DATE FOR FIRST
TAGS: ETRD, ECON, EAGR, NU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005